

PROPERTY **E**CONOMICS



BEACHLANDS SOUTH PROJECT

FAST TRACK APPLICATION

ECONOMIC IMPACT ASSESSMENT

Client: Beachlands South LP

Project No: 52587

Date: June 2026



SCHEDULE

Code	Date	Information / Comments	Project Leader
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1. INTRODUCTION

This report has been prepared in support of a substantive application submitted by Beachlands South Limited Partnership ('BSLP') under the Fast-track Approvals Act ('FTAA'). The Project name is 'Beachlands South' and is included in Schedule 2 of the FTAA as a Listed Project with significant regional or national benefits. Specifically, this report has been designed to assess and quantify the economic benefits that will flow from the proposed development.

OVERVIEW OF THE BEACHLANDS SOUTH PROJECT

In summary, the Project will provide for the development of live zoned land at Beachlands into a comprehensively planned and public transport focussed community to achieve a well-functioning urban environment comprising residential dwellings, a hotel and conference venue, community and commercial activities, protected ecological restoration areas, walking and cycling networks, and community facilities, and enable the potential development of two schools, as well as all associated earthworks and all associated infrastructure including transport facilities, intersection upgrades and roading, telecommunications, power, and water supply, stormwater, and wastewater infrastructure (including any treatment or storage facilities, drainage, pipes, pump stations, outfalls and discharges). A portion of Future Urban zoned land will be used for wastewater management purposes.

Key elements of the Project include:

- Residential activities comprising up to 2,000 dwellings in a variety of housing types, densities and vacant sites for future residential development;
- Establishment of a commercial local centre supported by employment opportunities within and around the periphery of the local centre and on the Whitford-Maraetai Road

frontage comprising approximately 27,000m² of commercial GFA¹ and 21,000sqm of light industrial GFA plus 41 Live / Work units.

- Education facilities comprising the development of both primary and secondary schools;
- Establishment of an Ecological Protection Area Network (EPAN) comprising approximately 75 hectares of land being replanted, restored, maintained and enhanced including preservation of streams and their margin;
- A series of open spaces including a suburban park, neighbourhood parks, the Fairway Reserve, golf course, esplanade reserve and riparian margins;
- Provision of public access to and along the coastal marine area and the creation of a quality coastal pathway;
- Public transport enhancements and integrations including expanded ferry passenger capacity;
- Staged road upgrades including the provision of pedestrian and cycling facilities along Jack Lachlan Drive, the upgrade of Whitford roundabout, a series of intersection upgrades; and
- Establishment of infrastructure to service the project including wastewater, water supply, stormwater, telecommunications and power.

According to the Decision Report² of the Independent Hearing Commissioners, Private Plan Change 88 – Beachlands South (**PC88**) is recognised to “give effects to the NPS-UD and the RPS and delivers a well-functioning urban environment under the NPS-UD including with respect to accessibility and reductions in greenhouse gas emissions”.

A visual representation detailing the location and extent of the Project site is provided in the figure following

¹ Including Hotel (9,249sqm GFA), Supermarket (2,620sqm retail trade area), Retail activity (2,082sqm GFA), Commercial space (2,854sqm GFA), Innovation Hub (1,340sqm GFA), Food & Beverage (1,272sqm GFA), Community (665sqm GFA) and associated back of house and parking areas.

² Titled “Proposed Private Plan Change 88 to the Auckland Unitary Plan Decision following the hearing of a Plan Change to the Auckland Unitary Plan under the Resource Management Act 1991”

FIGURE 1: SUBJECT SITE IN THE CONTEXT OF THE AUP ZONING ENVIRONMENT AND PC88 DECISION



Source: Auckland Council, LINZ, Google Maps.

Figure 2 provides an outline of the masterplan for the site.

FIGURE 2: PROJECT SITE MASTERPLAN



Source: JASMAX, Beachlands South LP

Considerations under the Fast-track Approvals Act

This economic impact assessment ("EIA") addresses the economic injection, employment, and scale of economic impacts/benefits of the Project. The provisions of the FTAA that are directly relevant to this report are:

Provisions of the FTAA that are directly relevant to this report include:

- Section 3 which states that, “the purpose of this Act is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.”
- Section 81 which provides that when a panel is making a decision on a substantive application, the panel must consider the extent of the project's regional or national benefits.
- Section 85 which provides that a panel may decline an approval where it forms the view “adverse impacts are sufficiently significant to be out of proportion to the project's regional or national benefits” (after taking into account conditions the panel may set in relation to adverse impacts).
- Schedule 5 Clauses 5(4) and 6 require a consent application to include an assessment of the activity's actual or potential effects on the environment. Schedule 5 Clause 7 outlines this assessment must include any effect on the people in the neighbourhood and, if relevant, the wider community, including any social, economic or cultural effects.
- Schedule 5 Clauses 5(1)(h) and 5(2) requires an assessment of the activity against relevant documents including the National Policy Statement on urban Development 2020 (“NPS-UD”).
- Schedule 5 Clause 17 which specifies the criteria for assessing consent applications and provides that the greatest weight is to be given to the purpose of FTAA.

2. EXECUTIVE SUMMARY

The Project is to subdivide, develop and construct a mix of land uses across 159.58ha of urban zoned land, plus some additional non-urban infrastructure activities on parts of the Future Urban Zone. The development includes up to 2,000 residential units, a commercial centre with retail and office, hotel, two schools, 12-hole golf course and light industrial activity.

The total quantitative economic impact on business activity (value added GDP) to the Auckland Region as a result of the Project is summarised in the following table.

Snapshot of Key Economic Benefits:

Estimated Quantitative Economic Impacts on Auckland Regional Economy:	
Total direct expenditure over a 15-year development period ³ (excluding land)	\$2.38 billion
Total NPV ⁴ at 8% over a 15-year development period	\$1.93 billion
Total NPV at 2% ⁵ over a 15-year development period	\$2.92 billion
FTE years ⁶ during the peak development year	1,431 FTE years
Total FTE years over the 15-year development period	16,718 FTE years
Total direct employment over the development period	7,902 FTE years
Total indirect and induced employment over development period	8,816 FTE years

In addition to these quantifiable economic impacts outlined above, the Project is likely to generate a wide range of other (non-monetised) qualitative economic benefits for the wider regional market and communities, extending well beyond the local market, which include:

- Increased housing supply and capacity.
- Increased and diversified choice of housing location.
- Potential for lower housing prices through increased competition, increased supply and improved affordability in the region.
- Delivering competitive greenfield housing capacity with greater certainty to support competitive land markets and more affordable housing capacity.

³ Note the 15-year development period includes allocation to pre-construction activities such as planning, design work, procurement and contracting rather than actual construction.

⁴ Net Present Value.

⁵ Sensitivity analysis applying 2% NPV as per Treasury guidelines for commercial development.

⁶ These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.

- Improved access to existing and planned infrastructure networks.
- Increased economic activity through increased construction and contributions to local employment, both during the development period and ongoing.
- Improved employment travel efficiency through recently zoned employment options nearby.
- Potential impetus for greater levels of local and regional growth.

Cumulatively, Property Economics considers the Project would generate economic benefits (quantitative and qualitative, direct, indirect and induced) through the generation of both significant direct capital expenditure and employment opportunities during construction of the proposed development.

The Project would enable residential development to respond to growing housing demand and support future growth within both the local Beachlands market and the wider Auckland Region. In addition, the Project would deliver a substantial range of supporting amenities, including a commercial centre, employment land, recreational activities and schools. These elements would provide ongoing benefits to the wider Beachlands community by improving local access to services, employment opportunities, education, and community infrastructure. In combination, these economic and community benefits are expected to generate wider flow-on effects and are considered significant in a regional economic context.

Property Economics considers that enabling this significant urban development through the fast-track process would support the more efficient, coordinated, and timely realisation of the development capacity already anticipated by the site's urban zoning. Overall, based on our economic assessment, the proposed development would generate significant regional economic benefits in the context of the FTAA and the Resource Management Act 1991 (RMA).

3. GENERAL INFORMATION

STATEMENT OF EXPERIENCE

Philip Osborne - I am an economic consultant and Director of Property Economics Limited, based in Auckland.

My qualifications include Bachelor of Arts (History / Economics), Masters in Commerce, and Masters in Planning Practice from the University of Auckland.

I have 25 years' experience advising local and regional councils, central government agencies, and private developers throughout New Zealand in respect of a wide range of property issues, including economic impact assessments, commercial and residential market assessments, economic cost benefit analyses and forecasting market growth and land requirements across all property sectors. I have undertaken numerous Economic Impact Assessments for FTAA applications (including under the Covid-19 Recovery Fast Track Consenting Act 2020).

Tim Heath – I am founder and Managing Director of Property Economics Limited with 30 years' experience undertaking strategic property market analyses for major commercial and government clients.

My qualifications include Bachelor of Arts (Geography) and Bachelor of Planning from the University of Auckland.

My areas of specialisation include economic profiling of markets, property sector analysis, market demand / supply assessments, economic impact assessments, capacity modelling, development feasibility assessments, business land assessments, and cost-benefit analysis.

My comprehensive knowledge of property market drivers allows me to deliver research that bridges planning ideology and commercial realities to ensure recommendations have 'real world' practicality and can be successfully implemented.

I have extensive experience and am frequently commissioned to provide expert evidence in the Environment Court. I have also been involved in undertaking economic assessments for dozens of Fast-track applications under the Covid-19 Recovery Fast Track Consenting Act 2020 and the FTAA.

CODE OF CONDUCT

Although this Application is not before the Environment Court, we have approached this EIA on the basis that it is prepared in the same way as it would be for expert evidence in Environment Court proceedings.

We therefore confirm that we have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and confirm that we have complied with it in preparing this EIA. We confirm that the issues addressed in this EIA are within our area of expertise, except where we have indicated that we are relying on others' opinions. We have not omitted material facts known to us that might alter or detract from this EIA.

INFORMATION AND DATA SOURCES

To support our assessment, information has been obtained from a variety of reliable data sources and publications available to Property Economics, including:

- Auckland Unitary Plan – Auckland Council
- Business Frame Data - Stats NZ
- Input / Output Tables – Stats NZ
- Median House Price – Cotality & Opes Partners
- House Price Index - Te Tūāpapa Kura Kāinga (MHUD)
- Beachlands House Sale Prices - Cotality
- Proposed Development Costings (estimates) – Beachlands South LP
- Proposed Masterplan - JASMAX
- Regional Economic Profile – Infometrics
- Unemployment Rate – Infometrics

GLOSSARY OF TERMS

Below is a list of terms relevant to this EIA. Note that the definitions of some terms may differ from those provided in the relevant statutory definitions and are intended solely for the purposes of this economic analysis. This does not affect the economic analysis conducted in this report or our economic position.

TERM	DEFINITION
Agglomeration Benefits	Where businesses and employees cluster together in a geographic area, offering several benefits. These include increased productivity, lower transportation costs, and knowledge spillovers.

ANZSIC	Australian and New Zealand Standard Industrial Classification 2006 - a standard method used to classify businesses and organisations based on their primary economic activity. It provides a framework for analysing and comparing economic data across industries in Australia and New Zealand. ANZSIC is widely used by government agencies, researchers, and businesses for statistical, policy, and planning purposes.
CAPEX	Capital expenditure.
Direct economic impacts	Derived from the actual spending / expenses incurred through the construction of the anticipated development.
Indirect economic impacts	The increased spending brought about by those firms / households and their employees / occupants, who supply the development.
Induced economic impacts	Measured in terms of the additional income that will be spent in the area due to increased business activity.
Economic benefits	Usually gains that can be expressed in financial terms as the result of an improvement in facilities provided by a government, local authority, etc.
Employment multipliers	The level of indirect and induced employment activity generated through the expenditure on and off site.
FTE years	Full time equivalent years - these are all jobs created through the direct construction phase and ongoing operation of the development including indirect and induced employment through all business sectors (not solely construction jobs) and relate to job years rather than one employee.
GDP	Gross domestic product.
Net Present Value (NPV)	Net present value - the difference between the present value of cash inflows and the present value of cash outflows over a period of time – calculated using an associated discount rate.
Transaction costs	Costs that arise as part of engaging in an economic trade. This can include compliance costs, planning costs, variation costs, etc.

4. ECONOMIC CONTEXT

In assessing the potential economic impacts, it is important to first establish the context in which they will be assessed. For the purposes of this assessment the three important parameters are:

- 1) The geospatial extent of the economic impact. While facilitation of the Project and spend is likely to have some wider economic benefits, the majority of impacts are likely to be retained within the Auckland Region. This EIA assessment focuses primarily on the extent of economic impacts and activity that will be retained⁷ within the Region.
- 2) The economic impacts are those resulting from the proposed residential development over the proposed 15-year development period. Wider flow-on economic effects are not quantified as part of the EIA but are discussed qualitatively in Section 8 of this report.
- 3) Regarding statutory considerations, the RMA provides context in terms of the utilisation of resources and the resulting impact on their price and provision. It calls for the “*efficient use and development of natural and physical resources*” (section 7(b) RMA).

This can be considered from the perspective of economic efficiency which can be defined as “*the effectiveness of resource allocation in the economy as a whole such that outputs of goods and services fully reflect consumer preferences for these goods and services as well as individual goods and services being produced at minimum cost through appropriate mixes of factor inputs*”⁸.

The Project is likely to have economic impacts that are experienced beyond the specific benefits within the region. Specifically, this relates to the economic activity attributable to other regions outside of Auckland.

Additionally, as addressed in the various environmental assessment reports prepared in support of the application, there are likely to be other, non-economic effects that may result in further economic impacts, such as land value changes (e.g. improved accessibility can increase associated property values). These other potential further economic impacts are excluded to avoid double counting of effects. For the most part, these other, non-economic effects, e.g., environmental effects, have not been addressed in this report.

⁷ In this context retention relates to the level of direct spend that is attributable to the Region. This is based on a large number of factors e.g. the origin of machines, businesses that service this development.

⁸ Pass, Christopher and Lowes, Bryan, 1993, *Collins Dictionary of Economics* (2nd edition), Harper Collins, Page 148

5. TOTAL ECONOMIC ACTIVITY FROM DEVELOPMENT

This section assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general demolition, construction, design, infrastructure and development works. It anticipates development across fifteen years (2027 – 2041). There is no indication of any material factors present which might delay the progression of the Project and consequently delay the onset of any economic impact.

5.1. INJECTION INTO THE AUCKLAND REGIONAL ECONOMIC ACTIVITY

Table 1 following, outlines the resulting impacts on the Auckland regional economy as a result of the Project.

TABLE 1: TOTAL GROSS GDP AUCKLAND REGIONAL ECONOMIC INJECTION (\$M)

	2027 - 2031	2032 - 2036	2037 - 2041	Total
Direct Expenditure (\$m)				
Total Development Costs (excl. land)	\$233.3	\$140.0		\$373.3
Construction	\$522.0	\$696.0	\$716.0	\$1,934.0
Total Construction and Development Costs (excl. Land)	\$755.3	\$836.0	\$716.0	\$2,307.3
Increased Local Spend*	\$6.3	\$25.6	\$44.2	\$76.1
Total Direct Expenditure (excl. land)	\$761.6	\$861.6	\$760.2	\$2,383.4
Level 2 Multiplier Impacts				
Total Auckland Output (48 sector multipliers)				
Total Auckland GDP NPV (48 sector multipliers)**	\$764.3	\$702.3	\$460.4	\$1,927.0
Employment (FTE Years)				
Development Employment	1,267	724		
Construction Employment	3,438	4,980	3,171	
Other Employment	1,110	1,370	658	
Total Employment (FTE years)	5,815	7,074	3,830	16,718

Source: Property Economics

* Increased Local Spend by residents, employees, construction workers and additional local business spend through the different stages of development.

**The impacts on the Auckland Region as a result of direct, indirect and induced activities.

Two key values are represented in Table 1. The first is the economic activity generated in the Auckland Region. The Project will generate a direct expenditure of approximately \$2.383 billion which represents the total cost of the development (excluding land). The Project will result in approximately \$1.93 billion of total value added (GDP) for the Auckland Region over the life of the 15-year development timeframe.

This capital expenditure is then assessed through the process indicated in Appendix 1 which includes calculating the amount of direct spend that is retained within the Auckland Region. An explanation of how the outputs in Table 1 were calculated is provided in Appendix 2.

The second aspect is the generation of employment. The Project will also contribute around 1,431 FTE jobs⁹ during the peak construction year within Auckland, with a total estimated 16,718 FTE years over the development period.

5.2. ASSUMPTIONS, UNDERPINNING DATA AND EXCLUSIONS

The following assumptions have been applied in this impact analysis in order to assess the level of economic injection into the overall economy at this time.

1. For the purposes of this EIA, it has been assumed that the construction costs will fall within the definition of the following categories (based on a standard 'special' commercial ratio): 'residential construction', 'non-residential construction', 'non-building construction', 'other construction services.'
2. Financial or loan costs on capital primarily fall outside of the local catchment and impact the national economy.
3. The origin of labour has been assessed based on regional labour movements furnished by Statistics NZ based on 2023 data. However, employment data has been updated as per the Statistics NZ Business Demography Statistics data¹⁰ to March 2025.
4. This report deals with the economic impact of the proposed development on the Auckland regional economy. These are specifically the direct impacts related to the construction and development of the Project.
5. The economic activity generated is based on the development's gross activity and does not consider redirecting growth opportunities from elsewhere in the catchment. In considering this, the proposed consent would unlock development of zoned land which forms part of the existing housing supply provided by the plan to support growth / demand.
6. For the purposes of this report an 8% discount rate has been applied, consistent with the default rate for commercial proposals set by the Treasury¹¹. Additionally, a 2% discount rate has been applied as a sensitivity test, also directed by Treasury.

⁹ NB These are all jobs created through the direct construction phase including indirect and induced employment through all business sectors (not solely construction jobs).

¹⁰ Business Frame Data – provides Statistics NZ measure of employment in an area by ANZSIC sector.

¹¹ <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

7. Labour movements are based on average retention rates rather than specific company locations.
8. The proportion of materials and labour internalised in direct benefits to Auckland are based on standardised labour movements as well as employment and production composition within the Region. The amount of each 'flow-on' dollar retained in Auckland are based on the movement of resources (including labour) between other districts and regions.

This EIA estimates the total additional gross economic output¹² into the Auckland regional economy that would be facilitated by the Project. The initial specifications and details have been provided by BSLP and represent the development's configuration and costings at this point in time.

Additionally, the assessment has not endeavoured to identify the extent to which particular parts of the Auckland Region will benefit economically. It assesses the likely economic impacts on aggregate Auckland business activity given the composition of activities proposed.

The economic impacts likely to be experienced as a result of the Project are broken down by the development phase which includes the construction costs (CAPEX¹³) of the facilitated activities and the proportion of those costs that are retained within the Region.

The direct economic impacts are derived from the actual spending/expenses incurred through the operation of the facilitated development.

Indirect economic impacts are the increased spending brought about by those firms/households and their employees/occupants, who supply the development.

The induced economic benefits are measured in terms of the additional income that will be spent in the area due to increased business activity.

¹² For example, this has not taken into account the short-term loss of operational employment currently on site

¹³ CAPEX – Capital Expenditure

5.3. SENSITIVITY ANALYSIS

The Treasury's most recent review (February 2025) sets discount rates for commercial proposals at 8% (applied in the earlier analysis), with a mandatory sensitivity test at 2%.¹⁴ In this section, sensitivity testing is undertaken using the 2% discount rate to quantify the scale of the Project's economic contribution to Auckland regional economy under this scenario.

The results indicate that, when applying the Treasury's mandatory 2% discount rate, the proposed development at the site is estimated to generate approximately \$2.92 billion in total business activity across the Auckland Region over the full development timeframe.

TABLE 2: SENSITIVITY ANALYSIS (2% NPV) (\$M)

	2027 - 2031	2032 - 2036	2037 - 2041	Total
Direct Expenditure (\$m)				
Total Direct Expenditure (excl. land)	\$761.6	\$861.6	\$760.2	\$2,383.4
Level 2 Multiplier Impacts				
Total Auckland GDP NPV (2%)	\$861.6	\$1,085.8	\$976.3	\$2,923.7

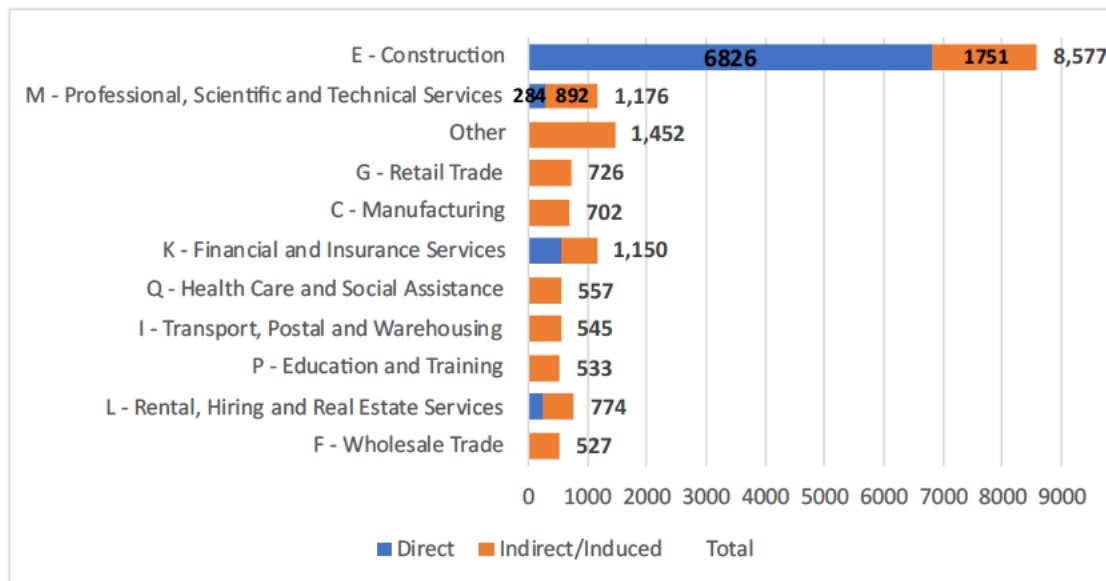
Source: Property Economics

5.4. TOTAL AUCKLAND DIRECT AND INDIRECT EMPLOYMENT

Figure 3 below disaggregates employment generated by sector and Direct and Indirect (including induced) FTE employment over the identified period. It illustrates the significant direct impact on the Construction sector (as well as Construction Services).

The figure illustrates the sectors associated with direct employment measure approximately 7,902 FTE years with the remaining around 8,816 FTE years resulting from indirect and induced activity.

¹⁴ Source: <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates>

FIGURE 3: AUCKLAND EMPLOYMENT GENERATION BY SECTOR

Source: Property Economics

For context, according to StatsNZ¹⁵, the regional unemployment rate increased from 3.5% in 2022 to 6.6%¹⁶ in Q1 of 2026. This equates to around 69,500 unemployed people within the Auckland region. Against this context, the Project will make a direct contribution to supporting regional employment levels.

In addition, Auckland's labour force has an underutilisation rate of approximately 14%, the highest in over a decade.¹⁷ This equates to an estimated 147,070 underemployed¹⁸ people currently. The Project can be expected to support better labour utilisation by expanding employment opportunities and providing work for those who are currently underemployed.

¹⁵ Source: [Labour market statistics: March 2026 quarter | Stats NZ](#)

¹⁶ Knowledge Auckland

¹⁷ Source: <https://www.stats.govt.nz/news/unemployment-rate-at-5-3-percent-in-the-september-2025-quarter/>

¹⁸ Part-time workers who have both the desire and availability to work more hours.

6. RESIDENTIAL MARKET OVERVIEW

This section provides a high-level overview of residential market trends in the Auckland Region (the relevant market for the Project), helping to contextualise the economic efficiency and benefits of the Project in delivering additional residential capacity to the wider regional housing markets.

The figure below shows the median house prices in the Auckland Region over the last two decades. Auckland's prices rose from just under \$380,000 in January 2006 to a high of around \$1.3m in November 2021. Although the house prices have dropped from this peak in 2023, Auckland's house prices remain substantially higher and less affordable than National averages and other major cities.

FIGURE 4: MEDIAN HOUSE PRICES TRENDS IN AUCKLAND



Source: Opes Partners, NZIER

In addition to house price growth, there are several ways to measure the relative affordability of a region. Affordability is not simply about house prices, but about whether people on typical incomes can sustainably afford a home without compromising other basic needs.

According to Cotality's Housing Affordability Report Q2 2025¹⁹(released in August 2025), as at Q2 2025, Auckland's current (median house) value-to-income ratio is estimated at approximately 7.9%. The proportion of income needed for mortgage repayments in Auckland is around 47%. By comparison, the current national figure is approximately 44%.

In addition, it now takes residents around 10.5 years to save for a deposit. The national average is about 10 years, slightly shorter than the time required in Auckland.

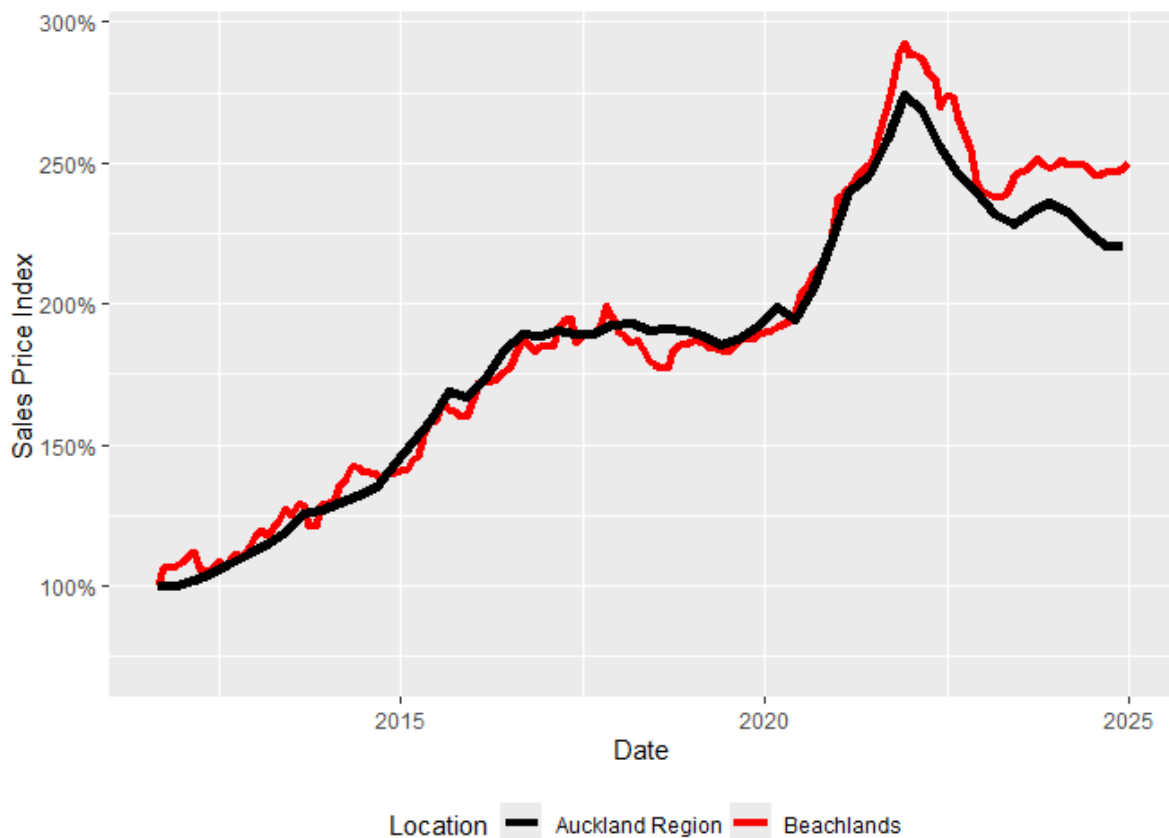
¹⁹ Source: <https://www.corelogic.co.nz/news-research/reports/housing-affordability-report>

These figures highlight the significant unaffordability pressures facing households, where the cost of home ownership far outpaces income growth and places substantial strain on household budgets.

6.1. RESIDENTIAL SALES IN THE BEACHLANDS LOCAL MARKET

To shed light on the demand for residential properties in urban areas close to the Site, the figure below presents an overview of the Beachlands local residential market in comparison to the Auckland Regional House Price index. This demonstrates the relative proportional shifts in house price between the two housing markets since 2011.

FIGURE 5: AVERAGE HOUSE PRICE GROWTH IN BEACHLANDS AND AUCKLAND



Source: CoreLogic, Property Economics

For the Auckland Region, the average house price in the Auckland Region has grown by +173% between late 2011 and the market peak in December 2021. Although Beachlands largely followed a similar trend over the preceding decade, the local market accelerated in recent years to exceed Auckland's peak. Specifically, Beachlands relative house price in December 2021 was +192% higher than its 2011 price point. Moreover, where Auckland's house price index has continued to stagnate and decline since the peak of the market, Beachland's housing market has appeared to remain relatively strong, holding at approximately +150% higher than its 2011 price point.

This inflated house price in Beachlands is potentially an indicator of the growing attractiveness of the area (demand) as well as a lag in the rate of new home constructions (supply) relative to the demand for residential properties. This relative imbalance between supply and demand would contribute to keeping house prices high, despite regional house price trends.

In light of the house price growth trends observed, the project has the potential to enhance housing affordability in the local market and the wider Auckland Region (by increasing supply), positively impacting their economic and social wellbeing by providing an increase in supply that would play a role in both mitigating price increases and providing sufficient capacity.

7. EMPLOYMENT LAND DEMAND

Aside from residential development, the Beachlands South Project proposes a significant employment component across a range of activity types including commercial offices, retail, hospitality and industrial.

Based on the average employment density of the various activities proposed, Property Economics has estimated these activities will support 1,025 ongoing jobs. This is broken into the various employment categories in Table 3 below.

TABLE 3: EXPECTED EMPLOYMENT OPPORTUNITIES OFFERED BY PROPOSED

Type	Employment
Retail Trade	145
Accommodation and Food Services	165
Commercial and Innovation	170
Community and School	200
Industrial	345
Total	1025

Source: Property Economics

These ongoing jobs are particularly important given the current undersupply of local employment opportunities within the Beachlands / Maraetai market. As shown in Table 3, only around one-quarter of the local workforce are currently employed within the Beachlands / Maraetai area, with the remaining three-quarters commuting to employment locations elsewhere in Auckland.

Table 4 compares the distribution of local employment by industry with the employment profile of Beachlands / Maraetai residents. This provides an indication of the types of activities that are currently under-represented within the local economy, and the sectors where the Project's employment activities would have greatest benefit.

Table 4 highlights that commercial office-based activities are particularly under-represented within the local employment base. For example, only around 8% of Beachlands / Maraetai residents employed in Financial and Insurance Services work locally, while the corresponding share for Professional, Scientific and Technical Services — the largest office-based employment category — is approximately 19%.

This is not unexpected, given the natural concentration of higher-order commercial activity within established Auckland centres, particularly the Auckland city centre. However, it does highlight the benefits and importance of the proposed commercial office component in supporting Beachlands transition into a more efficient and well-functioning urban environment

TABLE 4: BEACHLANDS EMPLOYMENT COMPARED TO LOCAL WORKFORCE (2025)

ANZSIC	Local Resident Employment Base	Employed in Beachlands / Maraetai	
A - Agriculture, Forestry and Fishing	51	0	0%
B - Mining	9	64	711%
C - Manufacturing	687	141	21%
D - Electricity, Gas, Water and Waste Services	57	28	49%
E - Construction	696	222	32%
F - Wholesale Trade	582	42	7%
G - Retail Trade	414	207	50%
H - Accommodation and Food Services	210	99	47%
I - Transport, Postal and Warehousing	300	68	23%
J - Information Media and Telecommunications	78	9	12%
K - Financial and Insurance Services	180	15	8%
L - Rental, Hiring and Real Estate Services	159	21	13%
M - Professional, Scientific and Technical Services	666	127	19%
N - Administrative and Support Services	198	36	18%
O - Public Administration and Safety	288	6	2%
P - Education and Training	507	167	33%
Q - Health Care and Social Assistance	399	109	27%
R - Arts and Recreation Services	66	45	68%
S - Other Services	213	54	25%
Total All Industries	5,760	1,460	25%

Source: Property Economics

NB: The high level of mining employment is presumably attributable to Manukau Quarries, which is nearing the end of its expected operating life. However, very few Beachlands residents are employed in this industry, resulting in an unusually high employment ratio of 711%. This is primarily a numerical artefact arising from the small workforce base in this sector and should not be interpreted as evidence of a significant or enduring mining industry sector within Beachlands.

Similarly, Table 4 shows relatively low local employment internalisation across several industrial-related sectors, including Manufacturing, Construction, and Wholesale Trade. The Project's proposed light industrial floorspace and live-work units are well positioned to support local trade, service, construction, and small business activity.

Finally, the Project is estimated to provide approximately 310 jobs in the Retail Trade and Accommodation and Food Services industries across the proposed retail floorspace and Hotel / Conference Centre. While these sectors already account for a relatively high share of existing employment opportunities, being crucial local activities, they remain important sources of accessible local employment, particularly for younger workers, part-time workers, lower-skilled workers, and people seeking flexible working arrangements. This will therefore be essential for the incoming households, as the population growth enabled by the Project is likely to bring additional workers into the local labour market who will benefit from proximate employment opportunities.

The existing demographics of Beachlands / Maraetai also suggest a relatively high level of business ownership, with a greater proportion of residents deriving income from a business they own compared with the Auckland average. This is relevant because business owners

generally have more flexibility than employees in determining where their business is located. As a result, there is typically a stronger uptake of new, modern, well-located office and service premises in good quality commercial environments which the Project proposed to develop. This has further flow-on benefits of increased amenity for the community.

8. OTHER QUALITATIVE ECONOMIC EFFECTS

In addition to the previously quantified economic injection, the Project would create a variety of potential (non-monetised) economic benefits. The following analysis outlines the key non-monetised economic benefits of the proposed development within the framework of the RMA, the NPS-UD, and the FTAA Section 22(2)(iii) and (iv).

- **Increased housing supply and capacity:** The Project will supply the market with up to 2,000 additional dwellings. This represents a significant increase in the overall residential capacity for the local and broader regional market by facilitating development of zoned urban land. It would also provide clear direction to the market regarding both its ability to meet future demand pressures and its provision through an efficient site location and size.

From an economic perspective, greenfield residential development is typically considered easier and faster to deliver than brownfield or urban redevelopment, thereby allowing the market to be more responsive reducing market failure.

This scale of supply within the development timeframe is highly likely to help relieve house price appreciation pressures. This is particularly important given the significant housing affordability challenges in both Beachlands and wider Auckland.

- **Increased and diversified choice of housing location:** The proposed development will also provide residents additional choices in their living environment in respect of location and potentially impact the overall price point resulting from supply, within the local market and the wider region.

The opportunity for an increase in the level of competitive residential land is likely to be coupled with an increase in the relative attractiveness of the area with wider markets. In addition, enabling a greater mix of housing types in more locations would also improve affordability and help match the housing stock to match the future population's needs.

- **Potential for improved affordability in the region:** Auckland is well known to be one of the least 'affordable' cities in New Zealand across many different measures of affordability. Although there are several contributing factors, an undersupply of new homes in the market relative to the increase in demand from the population growth, is one of the driving forces behind this house price inflation. Consequently, accelerating the proposed development through Fast-track has the potential to enhance housing affordability by increasing the supply with a significant number of additional residential units / housing capacity.

This has the potential to lead to downward pressure on house prices, driven by an increase in supply, benefiting first home buyers and renters. This increase in supply would help create a more balanced housing market, making homeownership more attainable and easing the financial burden on renters.

- + **Increased Amenities:** The Project would deliver a substantial improvement in local amenity for the Beachlands / Maraetai community through the provision of a comprehensively planned residential environment supported by local services, education, employment, open space, and recreational opportunities. A key component of this is the proposed commercial centre, which would increase the availability, diversity, and competitiveness of local retail and commercial services within Beachlands.

The Project also provides for both a new primary school and secondary school, with the latter representing an important addition given the current absence of secondary school provision within the Beachlands / Maraetai area. Collectively, these amenities would improve local access to everyday goods, services, education, and community infrastructure, reducing the need for residents to travel outside the area and supporting the development of a more complete and self-sustaining local community

- + **Increased economic activity and local employment throughout construction phase:** The proposed development would generate considerable economic stimulus through direct construction activity and supporting services. This includes employment opportunities in the building industry, engineering, landscaping, materials supply, and project management sectors. The construction-led growth would extend over a decade, supporting regional employment levels and contributing to GDP through multiplier effects across the economy.
- + **Increased Local Employment Retention:** The majority of Beachlands residents currently travel outside the local area for work. A key component of the Project is therefore the provision of long-term employment opportunities within the local community. Across the range of activities proposed, including the hotel, schools, retail, commercial, and light industrial components, the Project is estimated to support approximately 1,000 ongoing jobs annually. This has the potential to improve the balance between local housing and employment, reduce commuting distances, improve travel efficiency, and generate broader social and community benefits. In turn, this integration of residential, employment, education, and service activities is likely to enhance the overall attractiveness and competitiveness of Beachlands South as a comprehensively planned urban community.
- + **Potential impetus for greater levels of local and regional growth:** The proposed development has the potential to act as a catalyst that stimulates broader economic and urban development within a market, through unlocking further opportunities for additional housing, commercial activities, and complementary land uses.

As the local population increases, so too does the demand for goods, services, and employment, providing significant impetus for both local and regional economic growth. Over time, this additional growth would contribute to the development of a more self-sustaining and vibrant urban community.

8.1. ECONOMIC COSTS

Some of the economic costs of the Project include:

- **Infrastructure investment and servicing requirements:** Land and associated infrastructure costs are one of the biggest cost components of urban development costs and tend to scale according to the size of the network.

It is Property Economics' understanding that the additional infrastructure requirements, both on-site and off-site, will be delivered by BSLP as part of the consents sought. This ensures that the delivery of the Project is not delayed by public funding constraints or infrastructure sequencing issues, nor places an additional financial burden on the community, supporting more timely and coordinated growth. Where wider upgrades are deemed beneficial, Council, Auckland Transport and Watercare have the opportunity to work with BSLP to deliver improved servicing to the wider Beachlands / Maraetai area.

Considering the qualitative (non-monetised) economic benefits outlined above, and the quantitative economic injection into the regional economy and employment benefits described in section 5, Property Economics considers that advancing the proposed development would contribute significantly to the economic benefits for the regional economy and community.

It would positively contribute to increasing the supply of housing by enabling existing development capacity to be realised and accommodating housing needs within the Auckland Region, giving effect to the NPS-UD Policies, and meet the purpose of the FTAA by delivering a development project with significant regional benefits.

9. THE CONCLUSION

Considering the qualitative and quantitative economic benefits described above, Property Economics considers that enabling the Project under the FTAA would yield significant economic benefits for the regional economy and community within the Auckland Region. This conclusion is strengthened by the fact that all necessary on-site infrastructure for the Project is capable of being fully funded by BSLP, and by the significant housing supply constraints and affordability challenges facing Auckland that the Project will help to relieve.

These regional economic benefits include but are not limited to:

- Total direct expenditure over a 15-year development period (excl. land) \$2.38 billion
- Total NPV at 8% over a 15-year development period \$1.93 billion
- Total NPV at 2% over a 15-year development period \$2.92 billion
- FTE years during the peak development year 1,431 FTE years
- Total FTE years over the 15-year development period 16,718 FTE years
- Total direct employment over the development period 7,902 FTE years
- Total indirect and induced employment over the development period 8,816 FTE years
- The qualitative economic benefits described in section 8 of this report.

Overall, our assessment supports the Project from an economic perspective in the context of the RMA, NPS-UD Policies and FTAA.

APPENDIX 1. EXPLANATIONS OF EIA MODELLING PROCESS

The EIA assesses the potential economic activity generated within the Auckland Region specifically attributable to the Project through spending on the general civil works and residential development. This includes construction costs, which have been valued for the overall development.

The impact of this injection on the initial business cycle has been calculated. This 'construction multiplier' was based on the national input-output tables produced by Stats NZ (based on 48 sectors), which were then assessed at a district level based on Auckland economic activity, composition and productivities.

This estimates the 'leakage' from the regional economy (within specified sectors), and therefore the overall regional production (within a given business cycle) for each \$1 injected.

This was performed for the general and commercial construction sectors. These multipliers are based on 'net' flows by broad sector type and are therefore approximations.

Total output impacts to the Auckland catchment for the proposed developments include:

- Direct Construction Cost x 'Construction Multiplier' +
- Direct Development Cost x 'Development Multiplier' +
- Direct Increased Commercial Spending x 'Commercial Multiplier' +
- Indirect Business Spend x 'Commercial Multiplier' +
- Induced Retail Spending x 'Retail Multiplier'

Each identified multiplier relates simply to the economic sector from which the activity is generated.

This capital expenditure then is assessed through the process indicated at the beginning of this section which includes calculating the amount of direct spend that is retained within the Auckland Region.

Then utilising the appropriate economic multipliers for each of the affected sectors the economic model produces both indirect outputs and induced outputs. Given that the development will take place over a proposed period of 15 years, development beyond the first year is discounted to provide a Net Present Value (NPV).

APPENDIX 2. EXPLANATIONS OF EIA MODELLING OUTCOMES

By way of explanation of the items listed in Table 1:

- The reference to “*Levies*” is referring to external land and building costs such as Council costs.
- The reference to “*Development Costs*” includes costs associated with the development of the land, earthworks, etc. Note these costs are separated out from Construction costs due to the high level of capital (machinery) to labour ratio.
- The reference to “*Construction Costs*” includes built form costs (i.e., cost of the physical built structure (the buildings).
- The Direct Expenditure line includes all expenditure on the Project, both in and externally to the region.

The “*Level 2 Multiplier Effects*” section identifies the proportion of the direct expenditure that is experienced in the Auckland Region only. This incorporates consideration of the economic multipliers described in the following section.

This EIA evaluates the total economic effects of the specific project on the Auckland regional economy. Multipliers, a key component of EIA, quantify how initial changes in spending lead to larger, ripple effects throughout the Auckland regional economy²⁰. These effects include direct, indirect, and induced impacts, reflecting changes in output, employment, income, and other economic variables.

Aggregating Impacts:

The following steps form the basis for the value and employment multipliers to quantify the number of FTE years generated by the project.

Step 1: Allocate total project expenditure by ANZSIC category.

Step 2: Apportion the extent of each expenditure category that is likely to be retained within the Region. This is based on business and employment composition, business size, capital

²⁰ Multipliers are coefficients that translate direct changes in economic activity into the total economic impact. For example, a job multiplier shows how many jobs are created in total (directly, indirectly, and induced) for each new job created directly. Similarly, an output multiplier indicates how much total output increases for each dollar increase in output in a specific industry. Relevant key multiplier types include Output Multiplier: Measures the total change in economic output resulting from a change in demand for a specific industry; and Employment Multiplier: Measures the total change in employment resulting from a change in employment in a specific industry.

formation, inflows of GDP (technically GRP), etc. This is direct regional spend and hence smaller than the total generated.

Step 3: Utilising Stats NZ Input / Output tables generate regionally specific Level 1 multipliers (i.e. where each \$1 spent goes through the first cycle). These multipliers are specific for each of the 48 sectors and are proportionally combined to produce the development multiplier: earth works, fees, etc (due to these having a materially different labour to capital breakdown) and the construction multiplier- built form.

Step 4: Utilise a similar process to assess the Level 2 multipliers for indirect and induced activities.

Step 5: These three (direct, indirect and induced impacts) are then aggregated and discounted to get the NPV seen in Table 1.